



## LODI CITY COUNCIL

Carnegie Forum  
305 West Pine Street, Lodi

## "SHIRTSLEEVE" SESSION

Date: May 22, 2018

Time: 7:00 a.m.

\*and via conference call:

1311 Midvale Road  
Lodi, CA 95240  
&  
Fairmont Rehab Hospital  
960 S. Fairmont Avenue  
Lodi, CA 95240

For information regarding this Agenda please contact:

**Jennifer M. Ferraiolo**  
City Clerk  
Telephone: (209) 333-6702

### Informal Informational Meeting

**A. Roll Call by City Clerk**

**B. Topic(s)**

B-1 Receive Presentation Regarding Fiscal Year 2018/19 Special Revenue Funds Budget (CM)

**C. Comments by Public on Non-Agenda Items**

**D. Adjournment**

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

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Jennifer M. Ferraiolo  
City Clerk

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# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Receive Presentation Regarding Fiscal Year 2018/19 Special Revenue Funds Budget

**MEETING DATE:** May 22, 2018

**PREPARED BY:** Deputy City Manager

**RECOMMENDED ACTION:** Receive presentation regarding Fiscal Year 2018/19 special revenue funds budget.

**BACKGROUND INFORMATION:** This is the third item in a series on the Fiscal Year (FY) 2018/19 budget. This morning, staff is seeking Council and Public comment on the assumptions in the draft budget as it is finalized. The draft budget will be released and made available for public review at City Hall and online once finalized. This session will provide information on the Special Revenue funds of the City including the City operating funds for the Library, Transit, Streets, Fleet Maintenance, Community Development and Parks, Recreation and Cultural Services (PRCS).

Staff will be highlighting key items within each business unit that affect the FY 2017/18 budget. New this year is the application of cost of services charges to Streets, Transit and Community Development. Staff is reviewing Council adopted fund balance policies and historical calculated cost of service charges that were not assessed in these areas and will bring an update to City Council for recommendation on potentially charging additional cost of services to these areas.

At the regularly scheduled Shirtsleeve meeting on May 1, 2018, Council received a presentation on the General Fund budget, general economic conditions, and the five-year General Fund Forecast. On May 15, 2018, Council received an update on the City's utility fund budget in conjunction with the utility quarterly financial reports.

**FISCAL IMPACT:** There is no impact from this informational presentation.

**FUNDING AVAILABLE:** The table below shows the estimated revenues, expenditures and change in fund balance recommended by staff in the current draft of the FY 2018/19 budget.

Fund Group	Fiscal Year 2018/19 Staff Recommendations		
	Revenues	Expenditures	Change in Fund Balance
Library	\$1,484,700	\$1,437,700	\$47,000
Transit	\$5,292,480	\$4,611,640	\$680,840
Streets	\$7,770,130	\$6,282,670	\$1,487,460
Community Development	\$2,586,100	\$2,229,990	\$356,110
PRCS	\$6,153,300	\$6,196,480	(\$43,180)

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Andrew Keys, Deputy City Manager

Attachment

APPROVED: \_\_\_\_\_  
Stephen Schwabauer, City Manager

# Fiscal Year 2018/19 Budget Special Revenue Funds Presentation

Presented by: Andrew Keys, Deputy City Manager



# Overview

- Special Revenue Funds
  - Transit
  - Streets
  - Community Development
  - Parks, Recreation and Cultural Services
  - Library
  - Fleet Services



# Transit Overview

<b>Estimated Changes in Fund Balance</b> <b>For the Fiscal Year Ended June 30, 2019</b> <b>With Estimated Actuals for FY 2015-16 and FY 2016-17 and Comparative Budget FY 2017-18</b>					
	2015-16	2016-17	2017-18	Estimated	
	Actuals	Actuals	Budget	2017-18 Actuals	2018-19 Budget
<b>Transit Fund</b>					
<u><b>Fund Balance (Net Assets)</b></u>					
Beginning Fund Balance (Net Assets) Unreserved	4,027,483	4,837,355	5,477,163	3,785,949	5,486,449
Revenues	4,541,888	3,879,088	7,338,440	7,460,940	5,292,480
Expenditures	<u>3,732,016</u>	<u>4,930,494</u>	<u>7,469,817</u>	<u>5,760,440</u>	<u>4,611,640</u>
Net Difference (Revenues Less Expenditures)	809,872	(1,051,406)	(131,377)	1,700,500	680,840
<u><b>Fund Balance (Net Assets)</b></u>					
Ending Fund Balance (Net Assets) Unreserved	<u>4,837,355</u>	<u>3,785,949</u>	<u>5,345,786</u>	<u>5,486,449</u>	<u>6,167,289</u>
Fund Balance as a percentage of revenue:	107%	98%	73%	74%	117%



# Transit Revenue

- Revenues \$2,045,960 lower than FY 2017/18 budget
  - Transportation Development Act - \$1,195,180 lower
  - Federal Grants - \$552,870 lower
  - Prop 1B - \$351,000 lower



# Transit Expenditures

- Expenses are \$2,858,180 lower than FY 2017/18 budget
  - Capital projects & equipment - \$2,947,740 lower

Cost of services: \$179,130



# Transit Capital Projects

- Facility improvements (cameras, fencing and miscellaneous improvements) - \$500,000
- Passenger amenities (bus shelters, benches, trash receptacles) - \$200,000
- Fair collection equipment - \$200,000
- Transfer station design – \$30,000





# Streets Overview

<b>Estimated Changes in Fund Balance</b> <b>For the Fiscal Year Ended June 30, 2019</b> <b>With Estimated Actuals for FY 2015-16 and FY 2016-17 and Comparative Budget FY 2017-18</b>					
	2015-16	2016-17	2017-18	Estimated	
	Actuals	Actuals	Budget	Actuals	Budget
<b>Street Fund</b>					
<u>Fund Balance</u>					
Beginning Fund Balance	3,192,312	3,789,808	3,181,006	5,755,119	6,522,099
Revenues	8,709,537	12,158,164	9,139,110	9,321,720	7,770,130
Expenditures	<u>8,112,041</u>	<u>10,192,853</u>	<u>12,068,827</u>	<u>8,554,740</u>	<u>6,282,670</u>
Net Difference (Revenues Less Expenditures)	597,496	1,965,311	(2,929,717)	766,980	1,487,460
<u>Fund Balance</u>					
Ending Fund Balance	<u>3,789,808</u>	<u>5,755,119</u>	<u>251,289</u>	<u>6,522,099</u>	<u>8,009,559</u>
Fund Balance as a percentage of revenue:	44%	47%	3%	70%	103%

# Streets Revenue

- Revenues are \$1,368,980 lower than FY 2017/18 budget
  - Gas Taxes - \$906,850 higher
  - State Special Grants - \$2,822,560 lower
  - Federal Grants - \$642,010 higher
  - Transportation Development Act - \$200,000 higher
  - Development impact fees - \$320,920 lower



# Streets Expenditures

- Expenses are \$5,786,160 lower than FY 2017/18 budget
  - Operating Transfers - \$340,640 higher
  - Capital projects & equipment - \$6.16m lower

Cost of Services: \$514,720



# Streets Capital Projects

- Vehicles - \$120,000
- Water meter phase 8 - \$1.5m
- Wells/water taps - \$440,000
- Facility improvements - \$235,000
- PCE/TCE activities: \$275,000



# Community Development Overview

Estimated Changes in Fund Balance					
For the Fiscal Year Ended June 30, 2019					
With Estimated Actuals for FY 2015-16 and FY 2016-17 and Comparative Budget FY 2017-18					
Community Development Fund	2015-16	2016-17	2017-18	Estimated	
	Actuals	Actuals	Budget	2017-18 Actuals	2018-19 Budget
<u>Fund Balance</u>					
Be	1,474,880	2,423,363	3,033,371	3,824,752	2,240,502
Revenues	2,584,987	3,140,917	2,560,600	2,505,600	2,586,100
Expenditures	<u>1,636,504</u>	<u>1,739,528</u>	<u>4,158,860</u>	<u>4,089,850</u>	<u>2,229,990</u>
Net Difference (Revenues Less Expenditures)	948,483	1,401,389	(1,598,260)	(1,584,250)	356,110
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u><u>2,423,363</u></u>	<u><u>3,824,752</u></u>	<u><u>1,435,111</u></u>	<u><u>2,240,502</u></u>	<u><u>2,596,612</u></u>
Fund Balance as a percentage of expenses:	148%	220%	35%	55%	116%



# Community Development Revenue

- Revenues \$25,500 higher than FY 2017/18 budget
  - Permits - \$21,700 higher
  - Planning Fees - \$54,800 higher
  - Reimbursable Charges - \$55,000 lower



# Community Development Expenditures

- Expenses \$1,928,870 lower than FY 2017/18 budget
  - Salary & benefits - \$33,560 lower
    - Eliminated Neighborhood Services Manager
  - Supplies, materials & services - \$241,400 lower
  - Operating Transfers - \$1,661,240 lower

Cost of Services: \$219,280



# Parks, Recreation and Cultural Services Overview

Estimated Changes in Fund Balance					
For the Fiscal Year Ended June 30, 2019					
With Estimated Actuals for FY 2015-16 and FY 2016-17 and Comparative Budget FY 2017-18					
Parks, Recreation & Cultural Svcs Fund	2015-16	2016-17	2017-18	Estimated	
	Actuals	Actuals	Budget	2017-18 Actuals	2018-19 Budget
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	229,264	387,392	224,442	694,674	217,754
Revenues	5,870,743	6,249,422	6,196,028	6,122,250	6,153,300
Expenditures	5,712,615	5,942,140	6,536,195	6,599,170	6,196,480
Net Difference (Revenues Less Expenditures)	158,128	307,282	(340,167)	(476,920)	(43,180)
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	387,392	694,674	(115,725)	217,754	174,574
Fund Balance as a percentage of revenue net General Fund Transfer:	17%	31%	-5%	10%	8%





# Parks, Recreation and Cultural Services Revenue

- Revenues are \$42,730 lower than FY 2017/18 budget
  - Rents - \$25,000 lower
  - LUSD After School Services - \$148,050 lower
  - City After School Programs - \$58,000 higher
  - Aquatics - \$25,000 higher
  - Programs - \$70,000 higher



# Parks, Recreation and Cultural Services Expenditures

- Expenses are \$339,715 lower than FY 2017/18 budget
  - Salaries/Benefits - \$52,560 higher
    - Downgrading Event Coordinator to Program Coordinator
  - Supplies, Services and Materials - \$202,440 lower
  - Operating Transfers - \$206,105 lower



# Library Overview

Estimated Changes in Fund Balance					
For the Fiscal Year Ended June 30, 2019					
With Estimated Actuals for FY 2015-16 and FY 2016-17 and Comparative Budget FY 2017-18					
Library Fund	2015-16	2016-17	2017-18	Estimated	
	Actuals	Actuals	Budget	Actuals	Budget
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	264,822	670,790	199,950	575,269	6,049
Revenues	1,774,766	1,457,057	1,687,990	1,690,990	1,484,700
Expenditures	<u>1,368,798</u>	<u>1,552,578</u>	<u>2,231,948</u>	<u>2,260,210</u>	<u>1,437,700</u>
Net Difference (Revenues Less Expenditures)	405,968	(95,521)	(543,958)	(569,220)	47,000
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u>670,790</u>	<u>575,269</u>	<u>(344,008)</u>	<u>6,049</u>	<u>53,049</u>
Fund Balance as a percentage of revenue net General Fund Transfer:	24%	7%	19%	19%	10%



# Library Revenue

- Revenues are \$203,290 lower than FY 2017/18 budget
  - Operating Transfer In - \$165,970 higher
  - Donations - \$361,000 lower



# Library Expenditures

- Expenses are \$794,250 lower than FY 2017/18 budget
  - Salaries/Benefits - \$25,201 lower
  - Supplies, Services and Materials - \$84,230 higher
  - Capital Projects - \$954,000 lower
    - FY 2018/19 Capital project – Drainage improvements \$100,000

Cost of Services: \$48,000



# Conclusion

# Questions?

